



i-paye



**Guide to Contracting in
Guernsey**



COUNTRY HIGHLIGHTS (2017)

Guernsey – Individual

Currency	GBP (£)
Tax Year	Starts 1 January Ends 31 December
Taxation Rates	First £9,675 at 0% Balance at 20%
Guernsey Social Security	Employers Social Security at 6.5%. Employees Social Security at 6%. A cap on maximum contributions exists for Both Employers and Employees

Tax Residency

An individual will be considered Tax Resident in Guernsey if they satisfy either of the following conditions:

1. They spend 91 days or more in Guernsey in a calendar year; or
2. They spend 35 days or more in Guernsey in that year and spend 3365 days or more in Guernsey in the next four years.

An individual who is Tax Resident is taxable on Worldwide Income except if exempt under a double taxation treaty.

An individual who is not Tax Resident is taxable in the Netherlands on Income earned or generated in the Netherlands.

Social Security

Social Security is payable in the Guernsey unless the individual is paying Social Security in the country in which their employer is based and they are habitually resident. A certificate of continuing liability to Social Security is required to exempt the individual from Guernsey Social Security.

Right to Work

EU and EEA Nationals have an unfettered right to work in the Netherlands without the need to hold a VISA or Work Permit.

Other Nationals, generally, need to have permission from the Home Department to work prior to their arrival in the Guernsey.

I-PAYE Service

I-PAYE is registered as an employer in Guernsey and all individuals are engaged on contracts of employment.

All income is reported to the Guernsey Tax Authorities, with deduction for expenses allowed under Guernsey Law. Any expenses that are reimbursed that are not allowed or are above published rates will be subject to Guernsey Taxation and Social Security at the appropriate rates.

I-PAYE will provide UK Nationals that habitually reside in the UK and other Nationals who have a legal right to work in Guernsey. I-PAYE will not normally seek to employ individuals who are habitually resident in Guernsey.

As an employee of I-PAYE then you simply would register as working in Guernsey and the rest is down to us.

Frequently Asked Questions

Q. I currently work on a project in the United Kingdom through a PSC and have an assignment in Guernsey is it true that I can operate the same model in Guernsey?

A. Under Guernsey Domestic Law a UK PSC may be considered as having a Permanent Establishment in Guernsey, which means that all income derived by the business will be subject to Guernsey Taxation. No matter the taxation position of the company any employment income paid in respect of duties performed in Ireland will be subject to Guernsey Taxation and Social Security from day 1.

In addition any dividends payable to shareholders will be subject to Guernsey Dividend Taxation either at resident or non-resident rates.

Q. What happens if I choose to ignore the rules?

A. Guernsey as with all European Countries may seek to apply the Mutual Assistance Recovery Directive (MARD) to request the UK and other Tax Authorities to collect any unpaid moneys due.

From 1 October 2017 new legislation has been enacted in the United Kingdom that means that any entity engaging in or with business that evades taxation in a Foreign Country will be subject to an unlimited fine. Failing to report income to the Guernsey Authorities is Tax Evasion, not avoidance, and under Guernsey Law would generally lead to a criminal conviction.

Q. I want to do it correctly where should I seek advice?

A. Information is available on the Guernsey Tax Authorities website and we suggest seeking out Specialist advice should be sought before going on assignment.

More information is available from I-PAYE on 0151 449 3500



e info@i-paye.com

t +44 (0) 0151 449 3500

w www.i-paye.com

f +44 (0) 0151 203 3130

